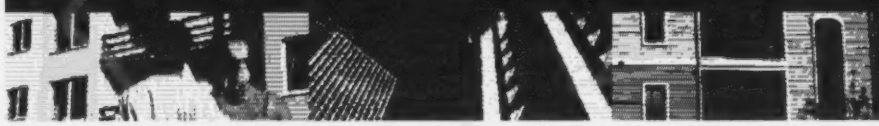
HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

Canada Highlights



CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Spring 2012

Figure 1

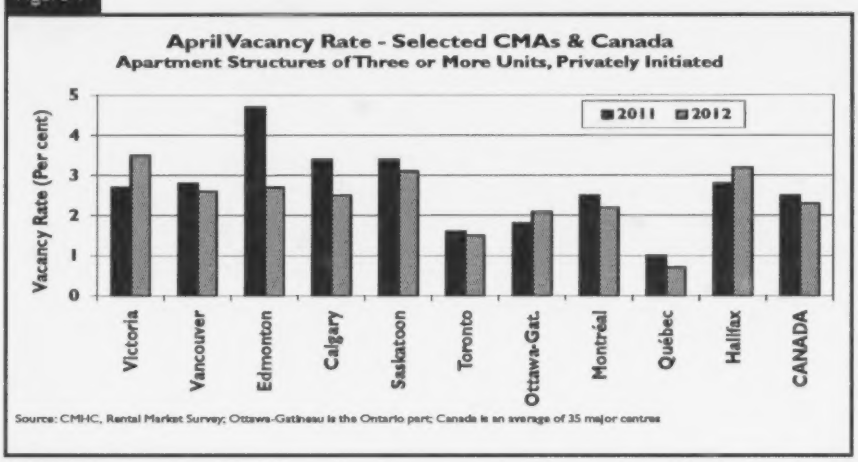
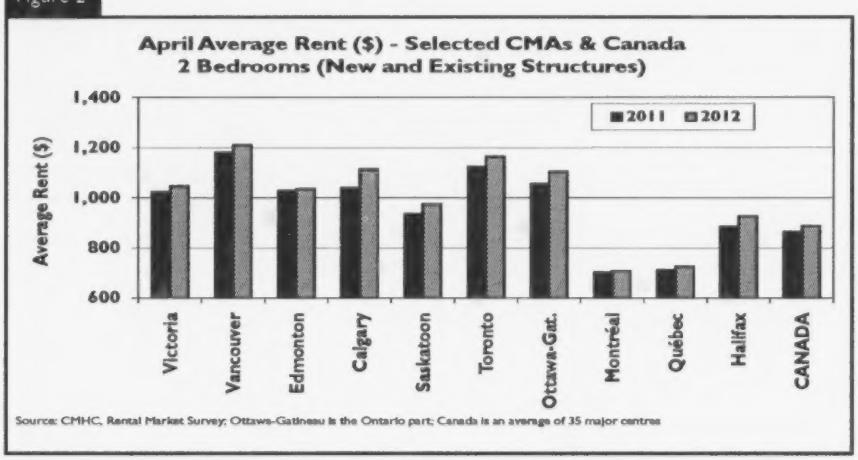


Figure 2



The rental vacancy rate posted a slight decrease this spring

The average rental apartment vacancy rate in Canada's 35 major centres[1] decreased to 2.3 per cent in April 2012 from 2.5 per cent in April 2011[2].

An overall improving job market over the last year, in conjunction with new migrants coming to Canada's major centres, are factors that are supporting rental demand in Canada. Immigrants, as well as young workers, usually tend to rent first and then move to homeownership.

Upward pressure on demand from these factors has more than offset the influx of new rental units (mostly in the form of rented condos) that arrived on the market. As a result, the overall demand for rental apartment units increased slightly faster than supply, which led to the decrease of the vacancy rate posted this spring.

In 2012, vacancy rates have fallen in 22 of 35 major centres, while no change was experienced in 2 centres and increases occurred in 11 of the major centres.

[1] Major centres are based on Statistics Canada Census Metropolitan Areas (CMAs), with the exception of the Ottawa-Gatineau CMA, which is treated as two centres for Rental Market Survey purposes, and Charlottetown which is a Census Agglomeration (CA).

[2] Note that the spring survey covers apartment and row structures containing at least three rental units, and, unlike the fall survey, does not report information on: a) Smaller geographic zones within centres; b) Secondary rental market (rented condominiums, single detached, semi-detached, uplexes or accessory apartments).

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Vacancy rates comparison across Canada

The major centres with the lowest vacancy rates in April 2012 were Regina (0.6 per cent), Québec and Saguenay (0.7 per cent) and Guelph (1.0 per cent). The major centres with the highest vacancy rates were Saint John (8.4 per cent), Windsor (7.7 per cent), Kelowna (5.2 per cent) and Moncton and Charlottetown (5.0 per cent).

Provincially, the lowest vacancy rates were in Manitoba (1.2 per cent), Saskatchewan (2.1 per cent) Quebec (2.2 per cent) and Ontario (2.3 per cent). The provinces with the highest vacancy rates were New Brunswick (6.2 per cent), Prince Edward Island (4.8 per cent) and Nova Scotia and British Columbia (3.4 per cent).

Average monthly rents for two-bedroom apartments

The Canadian average two-bedroom rent in new and existing structures was $887 in April 2012.

The highest average monthly rents for two-bedroom apartments in Canada's major centres were in Vancouver ($1,210), Toronto ($1,164), Calgary ($1,113), Ottawa-Gatineau (Ontario part $1,104), Victoria ($1,046), and Edmonton ($1,036). These are the only major centres with average rents at or above $1,000 per month. The lowest average monthly rents for two-bedroom apartments were in Trois-Rivières ($543), Saguenay ($553) and Sherbrooke ($581).

Provincially, the highest average monthly rents were in Alberta ($1,055), British Columbia ($1,036) and Ontario ($1,014). The lowest monthly rents were in Quebec ($677), New Brunswick ($696) and Newfoundland and Labrador ($727).

As stated in the Technical Note on page 5, year-over-year comparisons of average rents can be slightly misleading because rents in newly built structures tend to be higher than in existing buildings. Excluding new structures provides a better indication of actual rent increases paid by tenants.

Overall, the average rent for two-bedroom apartments in existing structures across Canada's 35 major centres increased 2.2 per cent between April 2011 and April 2012, the same level that was posted the previous year.

The major centres with the largest increase in average rent were St. John's (7.4 per cent), Winnipeg (5.4 per cent), Regina (5.2 per cent) and Calgary (5.0 per cent). These increases reflect in part the tight rental market conditions prevailing in these CMAs. Average rents in existing structures did not decrease in any of the 35 major centres.

Availability rates[1] slightly increased nationally

The average rental apartment availability rate in Canada's 35 major centres was 4.4 per cent in April 2012, slightly up from 4.3 per cent in April 2011.

Availability rates were highest in Windsor (9.3 per cent), Saint John (8.8 per cent), Sherbrooke (8.0 per cent), Peterborough (7.4 per cent) and London (7.0 per cent). The lowest rates were in Regina (1.1 per cent), Winnipeg (1.5 per cent) and Thunder Bay and Toronto (3.1 per cent).

Provincially, the highest availability rates were in New Brunswick (6.6 per cent) and Prince Edward Island (5.9 per cent). The provinces with the lowest availability rates were Manitoba (1.5 per cent), Newfoundland and Labrador (3.2 per cent) and Saskatchewan (3.3 per cent).

Cautionary Note

In the analysis, comparisons between the results of the October 2011 Rental Market Survey and the April 2012 survey have been avoided. A key reason for this is that changes in rents, vacancy rates, and availability rates between the spring and the fall may not be solely attributable to changes in rental market conditions; they could also reflect seasonal factors. For example, if more people tend to move in the spring than in the fall, it could have an impact on vacancy and availability rates as well as the level of rents. Alternatively, in centres where there are a significant number of university students, vacancy and availability rates could be higher in the spring if students move home for the summer. To the extent that these types of seasonal variations exist, comparing results from the spring and fall Rental Market Surveys could lead to incorrect conclusions about trends in rental market conditions. To avoid this, analysis is limited to the results of our spring Rental Market Survey, comparing results for 2011 and 2012, as well as different centres across Canada.

[1] A rental unit is considered available if the unit is vacant (physically unoccupied and ready for immediate rental), or if the existing tenant has given or received notice to move and a new tenant has not signed a lease.

1.0 Rental Market Indicators
Privately Initiated Apartment Structures of Three Units and Over
Provinces and Major Centres[1]

Centres	Vacancy Rates (%)		Availability Rates (%)		Average Rent 2 Bedroom ($) (New and existing structures)		Percentage Change of Average Rent Two Bedroom [2] From Fixed Sample (Existing structures only)	
	Apr-11	Apr-12	Apr-11	Apr-12	Apr-11	Apr-12	Apr-10 to Apr-11	Apr-11 to Apr-12
Newfoundland & Labrador 10,000+	**2.1 a**	**2.7 a**	**2.5 a**	**3.2 a**	**683 a**	**727 a**	**7.4 c**	**5.7 a**
St. John's CMA	2.0 a	3.3 a	2.6 a	3.8 a	744 a	808 a	9.0 c	7.4 a
Prince Edward Island 10,000+	**4.5 b**	**4.8 b**	**5.6 b**	**5.9 b**	**752 a**	**778 a**	**2.6 b**	**2.3 b**
Charlottetown CA	4.9 b	5.0 b	6.1 b	6.4 b	770 a	797 a	2.0 c	2.5 c
Nova Scotia 10,000+	**3.0 a**	**3.4 a**	**3.9 a**	**4.3 a**	**848 a**	**884 a**	**2.4 b**	**2.8 b**
Halifax CMA	2.8 a	3.2 b	3.9 a	4.3 a	885 a	926 a	2.4 b	3.0 b
New Brunswick 10,000+	**4.5 a**	**6.2 a**	**5.2 a**	**6.6 a**	**672 a**	**696 a**	**2.3 a**	**3.3 b**
Moncton CMA	4.1 b	5.0 b	5.1 b	5.4 b	697 a	721 a	2.3 a	2.9 b
Saint John CMA	4.0 b	8.4 a	4.3 b	8.8 a	653 a	688 a	2.8 b	4.9 c
Québec 10,000+	**2.4 a**	**2.2 a**	**4.7 a**	**4.9 a**	**671 a**	**677 a**	**2.6 b**	**1.4 a**
Ottawa-Gatineau CMA (Que. Part)	2.2 a	2.1 a	3.5 b	4.0 b	715 a	731 a	2.7 b	1.9 c
Montréal CMA	2.5 a	2.2 a	4.3 b	4.6 b	703 a	708 a	2.8 b	1.7 c
Québec CMA	1.0 a	0.7 a	2.8 a	4.0 b	711 a	725 a	2.8 a	++
Saguenay CMA	1.9 b	0.7 a	5.2 b	6.1 b	542 a	553 a	1.8 c	**
Sherbrooke CMA	3.7 b	3.6 b	8.7 a	8.0 b	577 a	581 a	1.4 d	**
Trois-Rivières CMA	4.2 b	3.8 b	7.8 b	6.1 b	546 a	543 a	2.3 c	++
Ontario 10,000+	**2.5 a**	**2.3 a**	**4.3 a**	**4.4 a**	**980 a**	**1,014 a**	**1.9 b**	**2.1 a**
Barrie CMA	1.9 b	2.0 b	4.0 b	5.7 b	976 a	991 a	1.2 a	1.5 b
Brantford CMA	3.6 b	3.3 c	5.1 b	4.7 c	778 a	801 a	1.3 a	2.8 c
Greater Sudbury CMA	3.1 c	3.1 b	4.2 b	4.5 b	877 a	891 a	2.5 c	++
Guelph CMA	1.9 a	1.0 a	4.7 b	3.2 b	892 a	908 a	0.4 b	1.6 b
Hamilton CMA	3.5 a	2.9 a	5.1 a	6.5 a	856 a	876 a	1.8 b	1.9 a
Kingston CMA	1.7 a	1.6 a	3.1 b	3.7 b	966 a	980 a	2.4 a	1.9 a
Kitchener-Cambridge-Waterloo CMA	1.8 a	2.0 a	4.7 a	4.4 a	877 a	904 a	1.5 a	1.9 a
London CMA	4.7 a	3.7 a	8.3 a	7.0 a	873 a	896 a	1.3 a	1.4 a
St. Catharines-Niagara CMA	3.6 b	4.0 b	5.5 b	6.9 a	830 a	843 a	2.0 b	2.4 b
Oshawa CMA	3.0 a	1.9 a	4.5 a	3.2 a	920 a	944 a	1.4 a	1.6 a
Ottawa-Gatineau CMA (Ont. Part)	1.8 a	2.1 a	4.8 a	5.1 a	1,056 a	1,104 a	2.2 b	3.2 c
Peterborough CMA	2.3 a	2.3 a	5.0 b	7.4 a	882 a	915 a	1.8 c	2.9 c
Thunder Bay CMA	2.1 a	1.8 a	3.1 b	3.1 b	762 a	813 a	3.2 d	3.9 c
Toronto CMA	1.6 a	1.5 a	3.0 a	3.1 a	1,124 a	1,164 a	2.1 c	1.9 c
Windsor CMA	9.4 a	7.7 a	11.3 a	9.3 a	761 a	770 a	-0.5 b	1.4 a

The following letter codes are used to indicate the reliability of the estimates:

a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)

** Data suppressed to protect confidentiality or data not statistically reliable.

++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).

n/u: No units exist in the universe for this category. n/s: No units exist in the sample for this category. n/a: Not applicable.

Please click Methodology or Data Reliability Tables Appendix link for more details

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Privately Initiated Apartment Structures of Three Units and Over
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Centres	Vacancy Rates (%)		Availability Rates (%)		Average Rent 2 Bedroom ($) (New and existing structures)		Percentage Change of Average Rent Two Bedroom [2] From Fixed Sample (Existing structures only)	
	Apr-11	Apr-12	Apr-11	Apr-12	Apr-11	Apr-12	Apr-10 to Apr-11	Apr-11 to Apr-12
Manitoba 10,000+	**0.7 a**	**1.2 a**	**1.2 a**	**1.5 a**	**822 a**	**876 a**	**3.2 c**	**5.2 b**
Winnipeg CMA	0.7 a	1.2 a	1.1 a	1.5 a	843 a	901 a	3.2 c	5.4 b
Saskatchewan 10,000+ (3)	**2.5 a**	**2.1 a**	**3.7 a**	**3.3 a**	**883 a**	**933 a**	**4.3 a**	**4.6 a**
Regina CMA	0.7 a	0.6 a	1.7 a	1.1 a	897 a	948 a	5.4 a	5.2 b
Saskatoon CMA	3.4 a	3.1 b	5.1 a	5.3 a	936 a	976 a	3.3 b	2.7 b
Alberta 10,000+ (4)	**4.7 a**	**3.0 b**	**6.2 a**	**4.4 a**	**1,029 a**	**1,055 a**	**0.8 a**	**3.1 b**
Calgary CMA	3.4 b	2.5 a	5.2 b	4.0 b	1,040 a	1,113 a	++	5.0 c
Edmonton CMA	4.7 b	2.7 b	6.2 a	4.2 b	1,029 a	1,036 a	0.5 b	2.2 a
British Columbia 10,000+	**3.7 a**	**3.4 a**	**4.8 a**	**4.7 a**	**1,015 a**	**1,036 a**	**2.1 b**	**2.3 a**
Abbotsford-Mission CMA	6.6 a	4.9 a	8.1 a	6.1 a	797 a	799 a	1.9 a	0.6 a
Kelowna CMA	6.6 a	5.2 a	8.0 a	6.2 a	920 a	911 a	++	++
Vancouver CMA	2.8 a	2.6 a	3.7 b	3.7 b	1,181 a	1,210 a	2.6 c	3.0 b
Victoria CMA	2.7 a	3.5 b	4.9 b	5.6 a	1,024 a	1,046 a	1.5 a	1.6 c
Canada CMAs (1)	2.5 a	2.3 a	4.3 a	4.4 a	864 a	887 a	2.2 a	2.2 a
Canada 10,000+	2.7 a	2.5 a	4.5 a	4.6 a	839 a	860 a	2.2 a	2.1 a

[1]Major centres refer to Census Metropolitan Areas (CMA), except for Charlottetown.

[2]The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

[3]Includes both Alberta and Saskatchewan portions of Lloydminster CA.

[4]Does not include Alberta portion of Lloydminster CA. For Lloydminster CA data, refer to Saskatchewan Highlights report.

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
n/u: No units exist in the universe for this category. n/s: No units exist in the sample for this category. n/a: Not applicable.

Please click Methodology or Data Reliability Tables Appendix link for more details

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures.
The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

October 2011 data presented in this publication is based on Statistics Canada's 2006 Census area definitions. April 2012 data presented in this publication is based on Statistics Canada's 2011 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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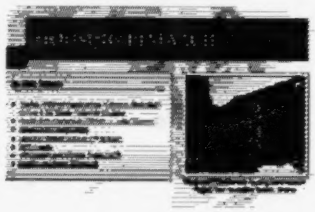

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